

03711493 SUPPLIER NUMBER: 06854784 (THIS IS THE FULL TEXT)
Charitable contributions: altruism or good business? (supermarkets;
includes related article on the many ways to offer charitable
contributions)
Linsen, Mary Ann
Progressive Grocer, v67, n11, p111(3)
Nov, 1988
ISSN: 0033-0787 LANGUAGE: ENGLISH RECORD TYPE: FULLTEXT
WORD COUNT: 3435 LINE COUNT: 00269

TEXT:

Charity is supposed to begin at home, but a good deal of it is also evident at supermarket across the country and their corporate headquarters. Judging from the range of philanthropic activities many grocery firms are involved in, the industry surely believes in sharing some of its success.

This is perhaps best demonstrated by the fact that last year 10 supermarket companies were among the 100 firms honored by President Reagan for voluntary services to their communities during 1986, as part of the President's Citation Program for Private Sector Initiatives.

Receiving the highest honor, the Presidential Award, were Sacramento-based Bel Air Markets (for a benefit to raise funds for Sacramento's homeless); Hams-Teeter Super Markets of Charlotte, N.C. (for storing and hauling hay for drought-stricken Southeastern farmers); and Winn-Dixie Stores of Jacksonville, Fla. (for pledging \$1 million to the American Cancer Society for a patient housing facility).

"The supermarket industry is becoming recognized as a leader in community service-and rightly so," said Robert O. Aders, president of the Food Marketing Institute, at the time of the awards presentation. "Our industry has a tradition of helping our communities in gratitude for the patronage of their citizens."

No one will deny that most retailers and wholesalers believe in giving a fair share back to their communities by supporting a variety of causes-including those not directly benefiting the municipalities where they operate. Of course, some companies do more than others. But are their efforts purely altruistic or intended to benefit their businesses? Most operators admitted it's a combination of the two.

John C. Todd, president of three-store Toddy's, was one of them, but he clearly feels a moral obligation to support community causes. "We made a good living over the years in Colorado. If you don't throw a little bit back (to the community) it's going to catch up with you," he said.

At Lakeland, Fla.-based Publix, William Schroter, vice president, public relations, basically, Publix gets involved because such is the good neighbor, the involved neighbor. But often the involvement is based on deep personal beliefs for a cause or because members of the Publix family have been stricken with one of the major diseases, and there is a strong motivation to help." Among the many community causes the chain actively supports are the Boy/Girl Scouts, Boys/Girls Clubs and Rotary Clubs, as well as local chapters of the United Way, American Heart Association and American Cancer Society.

"It's good for business, but that's not the motivation for doing it," said Jack Jones, who serves as president of the Winn-Dixie Stores Foundation, and is the chain's vice president of employee relations. "I have always felt a successful business has an obligation to be a good corporate citizen and support community efforts and affairs."

The Winn-Dixie Foundation, which is funded by the company, makes charitable contributions through an Employee Matching Grants Program. It's matches, dollar for dollar, every gift made by employees to the tax-exempt organization or accredited educational institution of their choice, from a \$50 minimum to a \$2,500 maximum per charity, up to \$10,000 a year. The

foundation is also used as a vehicle for reimbursing the chain's divisions for their charitable contributions.

Where civic affairs are concerned many feel that independents are better equipped than chains to take the lead because they identify more with their communities. At Scrivner, the Oklahoma City-based wholesaler, Mike Brake, director of corporate communications, couldn't agree more. He said that with independents, "the owner himself is of the community and a peer of the local business people, who are usually the backbone of civic efforts" He pointed out that in smaller communities, , the supermarket is usually one of the area's central gathering places.

Dale Moss, a single-store operator who owns the 65,000-square-foot Moss Super Store in Uniontown, Pa., concurred "As independents, one of the strengths we have is that most of us were born and raised in our areas, and we're obligated to give back to the community. We can't say, 'we're not authorized' (to participate) and that 'our headquarters is in St.

Louis,' " as he said some chains do. Among the ways Moss' store pays its community debts is by supporting the arts and cultural events, as well as organizations such as the 4-H Club and Girl/Boy Scouts. Last summer, for instance,

the store supported a symphony program at the local park through a cash contribution.

Publix's Schroter believes that chains

also have the ability to touch their communities "Many times a unit of a chain grows up' with the town or city, and local management of that chain unit gets extremely involved in local community events and affairs. Then the chain is perceived as a local neighbor, and is identified as the one to depend on when help is needed."

"A chain can be as effective as an independent," said Harris-Teeter's Betty La Fone, director of consumer affairs. "It just has to be sensitive to the needs of the community. We are in touch with the communities we serve and we like our people to be active. Our founders, Mr. Harris and Mr. Teeter, were community minded from the beginning and our company has maintained that posture throughout."

The kinds of community events or charitable causes retailers and wholesalers get involved in can vary greatly from company to company. Like Harris-Teeter, most make donations to local chapters of the major medical research charities and food banks, and also participate in supporting the arts, community educational facilities and assorted youth organizations-sometimes in very creative ways. But how do firms decide exactly what projects and causes to support?

"We look for widespread, umbrella-type programs, such as the United Way, which has a variety of services that cover all age groups, from infants to seniors," said Harris-Teeter's La Fone. "It's impossible to give to every group."

"We're into everything," said John Sweeney, advertising director for nine-store Bel Air Markets in California. "It depends on what our customers tell us to get involved with," He said this might include anything from supplying a cake for a kindergarten graduation, to partially funding an employee to bicycle to Boston as part of a fund-raiser for the American Heart Association.

At 73-store Seaway Foodtown in the Toledo, Ohio, area, there is a great emphasis on supporting grass-roots, community-oriented projects, according to Rich Lott, senior vice president of merchandising. While the company makes contributions to many large nationwide organizations, such as the American Cancer Society, it also supports such community projects as the local public TV station, area scout troops, the Toledo Mud Hens baseball team, the Toledo public high schools, Cosby (botanical) Gardens, and various cultural organizations in town. Recently, one of the firm's Food Town Plus combination stores featured a display of stuffed toy bears centered around the spring/summer visit of pandas from China to the Toledo Zoo. The store sold toy pandas for \$19.99 each and donated \$2 from every

sale to the zoo for the care of the live pandas.

As far as cash contributions are concerned, many firms have a set figure that is budgeted each year, while others handle contributions more informally. Not surprisingly, many also base their contributions on how profitably their firm is operating.

For example, Bel Air Markets has a "pretty standardized" method of deciding what figure is donated each year, and that depends on how well the company is doing, according to Sweeney. On the other hand, Scfivner's Brake said his company has "no formal amount, just a rough budget." He added that Chairman and CEO Jeny Metcalf personally reviews the causes the company is supporting periodically, and determines what programs it should be involved in.

According to Price Chopper's Joanne Gage, manager of consumer and public affairs at the Schenectady, N.Y., firm, her company's charitable contributions are based on a set percentage of sales each year. She added that this varies slightly from year to year, and that the firm's board of trustees decides which charities to support.

At Harris-Teeter, La Fone said that every year the chain, which primarily operates stores in the Carolinas and lower Virginia, sets up a budget and makes sure that each community it serves is taken care of in some way. She also pointed out that individual store managers have donations budgets of their own. They are supplied with small gift certificates to cover community causes such as church and scout troop donations. Use of the certificates is left to their discretion.

The food industry also is helping to fight hunger in other parts of the United States and all over the world by funding carefully selected projects under the Food Industry Crusade Against Hunger (FICAH). The private organization, created and directed by food industry executives, endorsed by industry associations and supported by food firms and individuals, is three years old. It already has raised more than \$2 million for 22 projects in 20 countries, including the United States.

Another way grocers give is through participation in food banks, and more and more are getting into the act by donating food, services and other resources to help feed the nation's hungry through these channels.

According to a 1987 survey conducted by the Food Marketing Institute, 62.8% of all U.S. supermarkets are contributing to food banks, up from 47.4% in 1985. The donor companies are primarily supplying grocery, produce and bakery items. Dairy and deli products and fresh meats are also being donated, as are some general merchandise and HBA items.

According to the FMI survey, nearly 64% of the retailing and wholesaling firms assisting food banks are also donating in-kind services and resources, up from 42% in 1985. It found that the top three contributions of this kind consist of staff members to serve on food bank boards, publicity support and transportation. About a quarter of the companies also provide equipment and financial support, according to FMI.

Safeway Stores, Oakland, Calif., Boston-based Stop & Shop Supermarket Co. and Price Chopper Supermarkets were among the recipients of presidential citations in 1987 for their extensive work with food banks, as part of the President's Citation Program for Private Sector Initiatives. Safeway was singled out for establishing a food banking network linking 225 of its stores in northern California with food banks and community services groups. And Stop & Shop was honored for raising \$75,000 in 1986 to benefit Second Harvest, the national food bank network, via an in-store coupon book from which the chain donated 5 cents of every redeemed coupon.

Price Chopper was applauded for its ongoing product reclamation center equipped to feed the hungry year-round with damaged and overflow products from 58 of its stores. Each Christmas season, the chain also promotes a major food bank drive in conjunction with a local radio and TV station. Working with the Department of Social Services, Price Chopper positions receptacles in front of its stores for customer donations. These are picked up by the Air Force and brought to a drop-off point for food

bank distribution. Last holiday season, 10 tons of food were collected, Gage said.

here is a vast array of communityrelated projects that leading food retailing and wholesaling firms are involved in. The following represents only a sample of the industry's efforts:

*At the 102-store Portland division of Safeway, as well as at five other Safeway divisions, a program called Change for the Hungry was recently launched. It utilizes public donations to provide perishables w people in emergency situations through local food banks or the Salvation Army. For instance, Portland division shoppers checking out their purchases are offered the option of "rounding out" their total bill by 5 cents, 10 cents or the nearest dollar, with the extra change going to a special fund of Oregon Food Share, a member of Second Harvest. The organization will, in turn, distribute \$5 food certificates, purchased from Safeway, to member agencies, according to Bridget A. Flanagan, public relations manager for Safeway's Portland division. Similarly, at the chain's Eastern division, based in Landover, Md., Safeway and the Salvation Army are joining forces to help feed the hungry in the greater Washington/Baltimore area. The Eastern, Portland and other participating Safeway divisions in Denver, Seattle, northern California and Phoenix launched the program with an initial \$25,000 start-up grant, in addition to covering the advertising and administrative costs of the effort.

*Besides its participation in the Change for the Hungry project, the 180-store Seattle division of Safeway recently initiated a program called **Gift of Food** in 52 of its stores. Specially marked **Gift of Food** cards in denominations of \$1, \$2 and \$5 are available to shoppers at checkout stands. To **contribute a portion** of their grocery bill to help feed the hungry, customers need only add the appropriate card to their grocery order, and the **amount** shown will be added into the total grocery tab. Proceeds go to Food Lifeline, a supplier of food to local food banks.

*Round Up, a Kroger fund-raising checkout program to aid the hungry, reportedly took in \$33,000 in eight weeks in the chain's home market of Cincinnati. Not unlike Safeway's Change for the Hungry project, it gave customers the opportunity to round off their grocery bill to the nearest dime or dollar. Also, as with Safeway's program, proceeds went toward store coupons for perishables, which were distributed to the needy through the Salvation Army. o Change to Stop Hunger, a program launched in July by First National Supermarkets, Windsor Locks, Conn., in every

Finast and Edwards store throughout Connecticut, New York, Massachusetts and New Hampshire, was similar to those of Safeway and Kroger. It was to run through the middle of October, enabling shoppers to help feed the hungry by donating the change they received from their order payment to the Salvation Army. The program was supported by ads and in-store promotional materials.

*Bel Air Markets, Sacramento, Calif., sponsors an annual New Year's Eve benefit to raise funds for projects geared to helping Sacramento's homeless. Each year the party nets nearly \$100,000. The funds are invested, and the income earned is used to provide venture capital for local projects, such as aid for victims of natural disasters.

*Harris-Teeter Super Markets, Charlotte, N.C., sponsors an educational program dubbed "Piccolo Spoleto," the local portion of the annual springtime Charleston community event for the arts, known as "Spoleno." The 125-store firm does so by finding a store front school of the arts. The local school system for three counties brings children together there to study under artists who are in town for Spoleto.

*At the corporate headquarters of Oklahoma City-based Scrivner Inc., employees last spring amassed \$175 in pennies in a special fund-raising cart displayed in the lobby to raise funds to purchase native wildflower seeds for local highways and parks. This was done in preparation for next year's centennial of the Oklahoma Land Run, through an organization called

Oklahoma City Beautitil. Besides supporting other projects, including a recent March of Dimes WalkAmerica effort that raised \$6,500, the firm honors employees who are active in community affairs. It last year initiated a Scrivner Volunteer of the Quarter competition via its **employee** newspaper. **Each** quarter, an involved **employee** is selected for this distinction based on nominations from his peers.

*Three-store Toddy's Supeffnarkets, Greeley, Colo., works with members of the Retired Senior Volunteer Program (R.S.V.P.) in an effort to aid shut-in senior citizens with their shopping. Once a week, group members come into the stores and use the phones to take orders, which they also assemble. Deliveries are made by the store free of charge. According to John Todd, the only problem with the program is that the young employees who make the deliveries (usually the only visitors the shut-ins get) often have trouble politely excusing themselves to return to work.

*Winn-Dixie Stores, Jacksonville, Fla. , through the Winn-Dixie Stores Foundation and employee contributions, pledged \$1 million in 1986 to the American Cancer Society to fund construction of the Hope Lodge, which houses cancer patients in Gainesville, Fla. , on land provided by the University of Florida. The company may soon be sponsoring a second Hope Lodge, slated to be built in Miami near a cancer clinic that's part of the University of Miami's Jackson Memorial Hospital Complex.

*D&W Food Centers, Grand Rapids, Mich., initiated a Friendship Fund in 1986, whereby it helps community groups such as church choirs and local sports teams raise money for equipment, uniforms, etc. To participate, group members save store register tapes and send them in once a month. In tum, the group receives 1 % of the total amount of D&W tapes it submits.

*Price Chopper Supermarkets fonnally kicked off its sponsorship in A World of Difference, a campaign to reduce prejudice, in the summmer of 1987 and is currently extending the program to a second year. Working in conjunction with the Anti-Defamation League of B'nai B'rith and WTEN-TV to reach people-especial ly children-through the media, educational curriculum and community events, Schenectady, N.Y. -based Ppice Chopper is underwriting all teacher workshops, study guides and materials for the program . In the stores, shopping bags and book covers bearing the World of Difference logo are being distributed. On a different note, the company each year conducts a major campaign to aid Muscular Dystrophy. Company President Neil Golub serves as chairman of the organization's telethon in the capital district. All Price Chopper stores raise finds in different ways, including through tent sales and camivals, and vendors and customers are also asked to participate. Last year, the collective efforts of all these groups helped the fin-n raise \$120,000 for the cause.

*In cooperation with the local TV station and Toledo Citifest, Seaway Foodtown, Maumee, Ohio, is planning to sponsor the annual holiday Christmas parade, held on the Saturday after Thanksgiving in downtown Toledo. Working with the board of education, the chain recently conducted a contest for students from grades kindergarten through sixth, whereby the children were asked to design the f"Santa Float." Not only will the winning child receive a \$100 U.S. Savings Bond, but he or she will get to ride on the float with Santa during the parade.

*A 67 ,000-square-foot Xtra Super Food Center near West Palm Beach, Fla. , was the scene of a five-minute, beat-the-clock shopping spree recently held to benefit The Soup Kitchen Inc. of Boynton Beach, Fla. A Soup Kitchen board member gathered over \$750 worth of groceries to help feed the hungry. The spree was donated by Xtra part of the annual auction held by the Children's Museum of Boca Raton. The winning bidder, in tum, donated the groceries to the Soup Kitchen.

*A program called Food for All was introduced last November in 36 Waldbaum's Foodman Stores in New England, in cooperation with Food for All inc. , a non-profit public benefit corporation. Participating stores donated display space, paid handling costs and provided advertising support. Waldbaum shoppers wishing to help feed the hungry selected

contribution cards for 50 cents, \$1 and \$5 from checkstand displays. Cards, marked with bar codes, were scanned along with grocery purchases, and the donations appeared on register receipts. Over the course of about one year, the program generated a total of \$76,655.

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SPECIAL FEATURES: illustration; photograph

INDUSTRY CODES/NAMES: FOOD Food, Beverages and Nutrition; RETL
Retailing

DESCRIPTORS: Supermarkets--Contributions, gifts, etc.; Charitable
contributions--Usage

SIC CODES: 5411 Grocery stores

FILE SEGMENT: TI File 148

... the Hungry project, the 180-store Seattle division of Safeway recently initiated a program called **Gift** of Food in 52 of its stores. Specially marked **Gift** of Food cards in denominations of \$1, \$2 and \$5 are available to shoppers at checkout stands. To **contribute** a **portion** of their grocery bill to help feed the hungry, customers need only add the appropriate card to their grocery order, and the **amount** shown will be added into the total grocery tab. Proceeds go to Food Lifeline, a...

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*Three-store Toddy's...

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5/3,K/9 (Item 9 from file: 15)
DIALOG(R)File 15:ABI/Inform(R)
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01638908 02-89897
Taxes as ballots
Levmore, Saul
University of Chicago Law Review v65n2 PP: 387-431 Spring 1998
ISSN: 0041-9494 JRNL CODE: UCL
WORD COUNT: 23684

...TEXT: bureaucratic determination, or even a referendum.

Further evidence that the coordination problem emphasized in this **Part** is more important than the more general public goods problem is presented by extending the...

...If there are 100,000 visitors to a museum, and 2,000 of them voluntarily **contribute** \$100 each, we should not conclude that each donor is expressing a preference for the...

... cooperation. Each would give nothing if she knew she were the only donor; each \$100 **gift** is **part** of a cooperative effort among 2,000 persons who may well think that the museum's budget should be about the **amount** raised (\$200,000).³⁶ Similarly, the checkoff scheme can be seen as an opportunity for...associated exemption from income tax available to organizations that are on the receiving end of **contributions**,³⁷ may have encountered hints of the idea that the tax system can be seen as...

... origin in these earlier suggestions. The charitable deduction makes the government a partner in every **gift**-giving venture; a taxpayer in the (hypothetical but arithmetically convenient) 50 percent bracket, for instance...

... 56 Hence each individual taxpayer's choice, deduction, or "ballot," not only reflects a private **contribution** but also triggers a matching government **contribution** in the form of a reimbursement of **part** of the taxpayer-donor's **gift**. The government may of course choose to increase its support with direct grants beyond the...prove that it has been kept.

Two other strategies for coordinating designated and unrestricted private **contributions** are fairly obvious, as is their evolutionary origin. Umbrella organizations face defections from constituents and...

... some umbrellas therefore switch to the mixed system of the second approach, in which a **portion** of each designated **gift** goes toward satisfying the predetermined allocation for the designated constituent, while the remainder truly increases the designated constituent's **share**.

Under the third strategy, the umbrella is simply an intermediary with respect to designated gifts...balloting generated by the charitable deduction. The most common example is an employer who matches **individual employee** contributions. Whether or not there are limits on the amounts that will be matched or...

... can benefit from these programs, there is obviously a significant allocative task performed by the **individual employee**. The employees (or a corporate board, perhaps) could have decided to vote on the question... the position of many state governments; tuition and service

levels continue to rise, fueled in **part** by private funds, and it is not unreasonable for the state to prefer that there be no continuing rise in the **share** of gross national product attributable to elite education. University administrators might respond to this claim...

... the spirit of these redistributive gifts remains cooperative in the sense that each donor is **part** of the effort to create a scholarship fund (or a fund capable of providing a museum even for those who cannot pay). Each donor would likely cease to **contribute** if she knew that

5/3,K/42 (Item 7 from file: 148)
DIALOG(R)File 148:Gale Group Trade & Industry DB
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